

**WSDOT/ACEC-WA**  
**Project Delivery Team Meeting**  
**June 6, 2006**

**Attendees:** Ken Smith, Bart Gernhart, Kirk Berg, Terry Mattson, Ron Landon, Michael Horton, Amir Rasaie, Keith Metcalf, Rick Door, Doyle Dilly, Rick Griffin, Lisa Reid, John Villager, Mike Mariano

**Brainstorm Incentives and disincentives to add to contracting out work (on-time and on-budget)**

1. Take a look at the Deep South trip
2. Consultant selection pre-qualification
3. Early rate
4. Lump sum
5. Cost plus fixed fee
6. Adjusting the profit based on the time in which the work is completed
7. Early completion pays a higher margin
8. Focus on overall margin
9. Markup on subconsultants
10. Incrementally move forward to eliminate the risk (incremental scoping)
11. Negotiated hourly rates
12. Check into the incentives on fee appraisals
13. Consider all costs in computing fixed fee
14. Look at the federal guidelines
15. Mix the different types to achieve desired results
16. Base contract plus time & materials
17. Rank and reward firms based on past performance
18. Can incentives be tied to the performance evaluation process? (30%, 60%, 90%)
19. Use the Delivery Matrix Expectations
20. The evaluations need to be redone, which in itself will add value.
21. Can we tie incentives and disincentives to earned value?
22. Use a tool box of different ways. Use what makes sense on each portion of the project.
23. Quality based selections
24. Negotiated Hourly Rate up to 60-80% complete and then Lump Sum for the remaining 20-40%
25. Look toward other states for what they have done.
26. Ken Smith will check what other states are doing at the AASHTO Subcommittee on Design next week.
27. On-time is good; quicker isn't necessarily better; late is worse
28. Accept a review from the consultants on WSDOT
29. Offer incentives to the entire team (everyone)
30. Relocation incentive to out-of-state consultants
31. Can WSDOT legally reimburse B&O tax?
32. What is the value that WSDOT expects? If time and cost are the sole focus of incentives, then the value will suffer.
33. Allow mark up on local consultants and do not pay for relocation costs

**Action item: Get a copy of the Federal Regulations (Brooks Act & Title 23) – Mike Horton**

**Next meeting - August 4, 2006.**